

The background is a dark blue architectural blueprint. It features a central drawing of a two-story house with a gabled roof, multiple windows, and a chimney. To the left of the house is a vertical dimension line labeled '14' and a horizontal dimension line labeled '13'. To the right of the house are two sets of technical specifications: '683/42 193' and '123/45 178'. Below the main house drawing is another architectural detail, possibly a porch or foundation, with similar technical specifications. The overall style is technical and professional.

Housing California's Working Families

The Future through 2020

If current tenure trends hold, two-thirds of California's new households will want to be homeowners. ... Among the state's major metropolitan regions, the six-county Greater Los Angeles Metropolitan Region will suffer an average yearly production deficit of 48,400 units."

...

The Opportunity

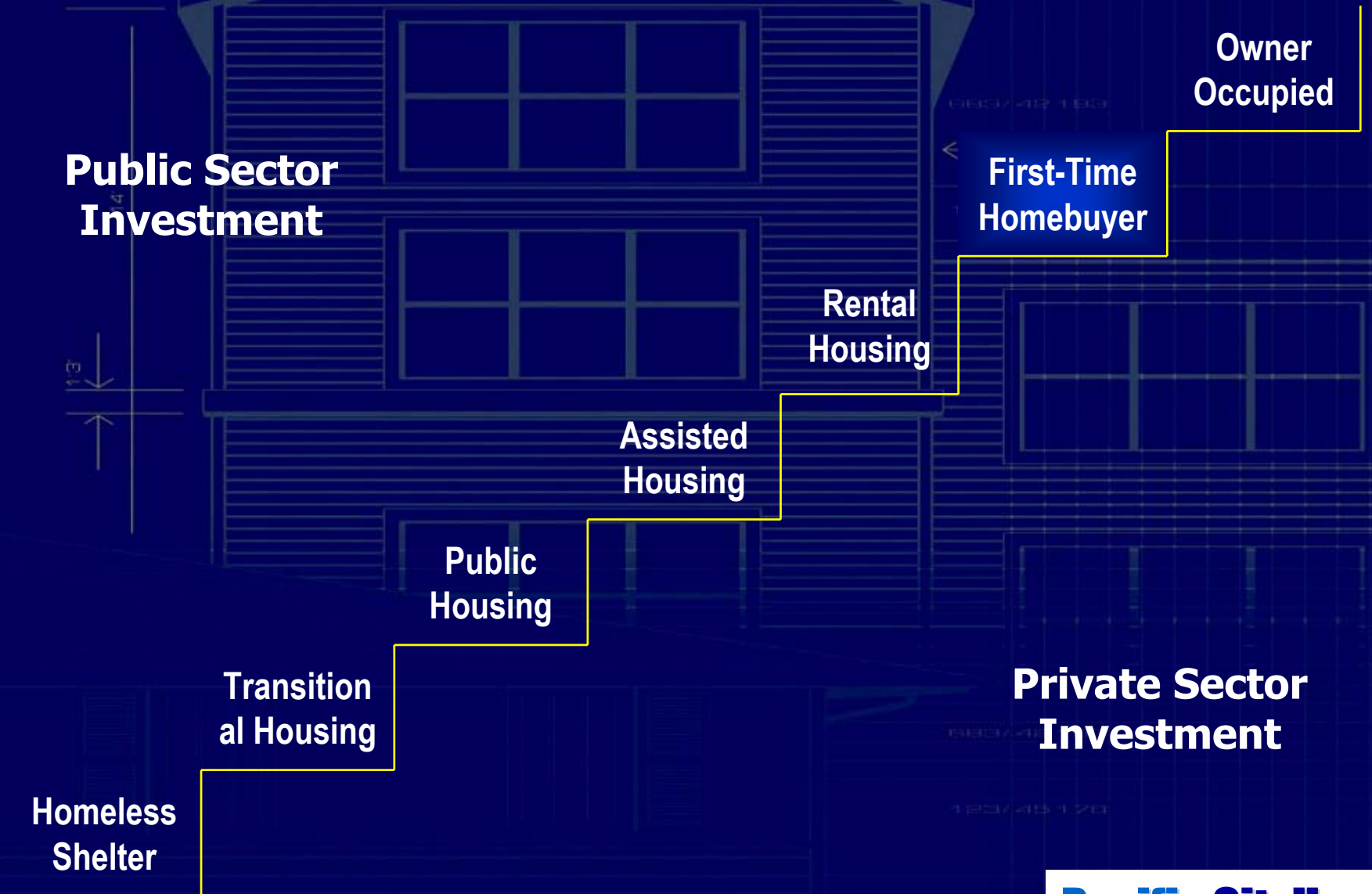
“The challenge in Southern California will be for developers to keep pace with the region’s potentially explosive population growth.

...

Moreover, given the region’s rapidly changing demographics, Southern California builders will need to become more adept at delivering a broader array of product types. ”

CA Housing Development Projections and Constraints 1997 – 2020 CA Department of Housing and Community Development

The Housing Continuum



Projected Owner Occupied National Household Growth 2000 – 2010

**TOTAL
MARKET**

White

**African
American**

Latino

**Asian/
Other**

**Total
Minority**

10.9*

5.9

1.8

2.2

1.0

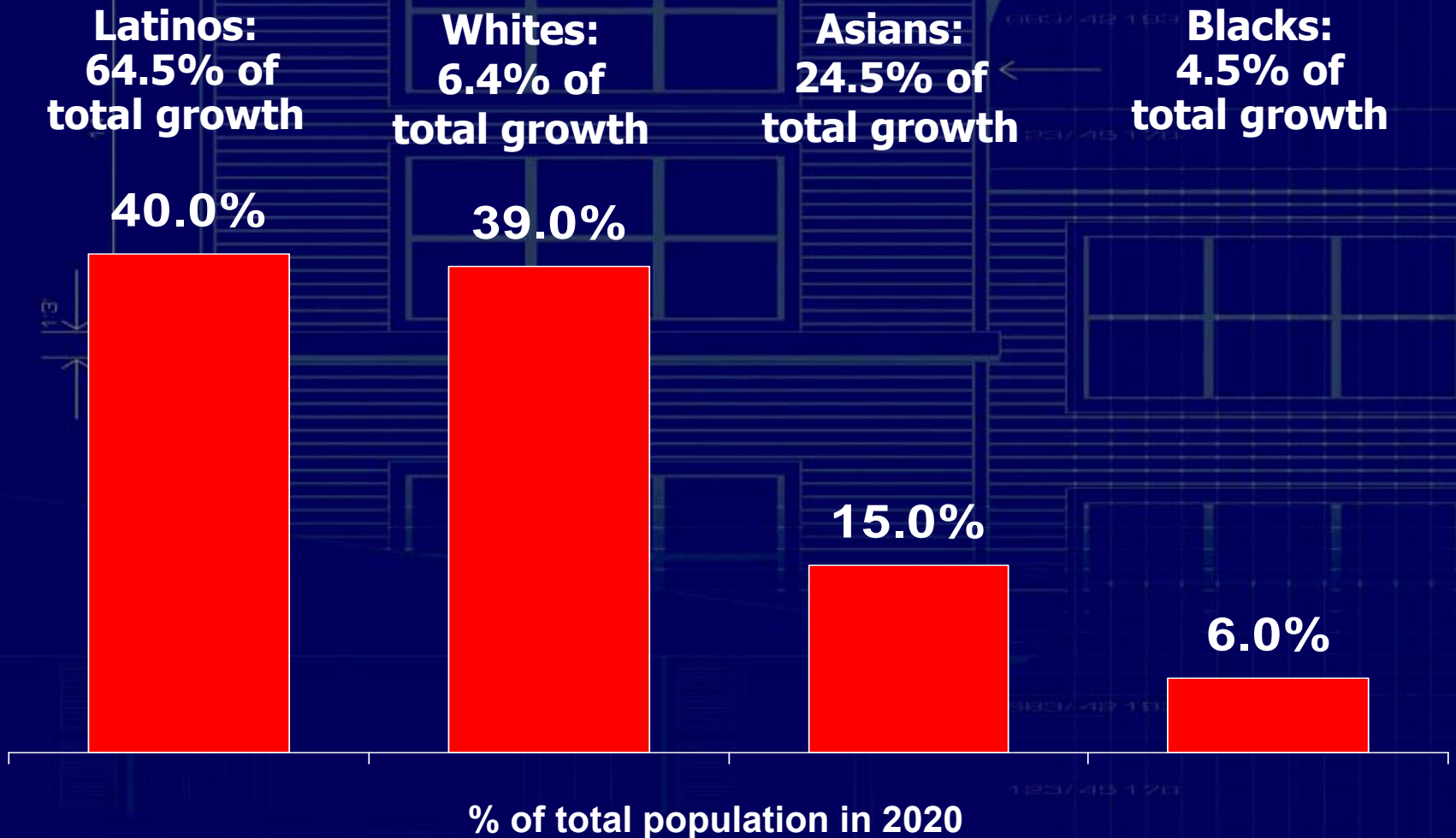
5.0

***Millions**

The background of the slide is a dark blue architectural drawing of a house. The drawing includes various dimensions: a width of 13' at the top, a height of 14' on the left, and a depth of 13' on the left side. There are also smaller dimensions like 12' 10" and 12' 0" on the right side. The house has a gabled roof, a chimney, and several windows. A grid pattern is visible in the background.

Demographic Change in California and The Greater Los Angeles Area

California in 2020: Demographic Changes from 1990

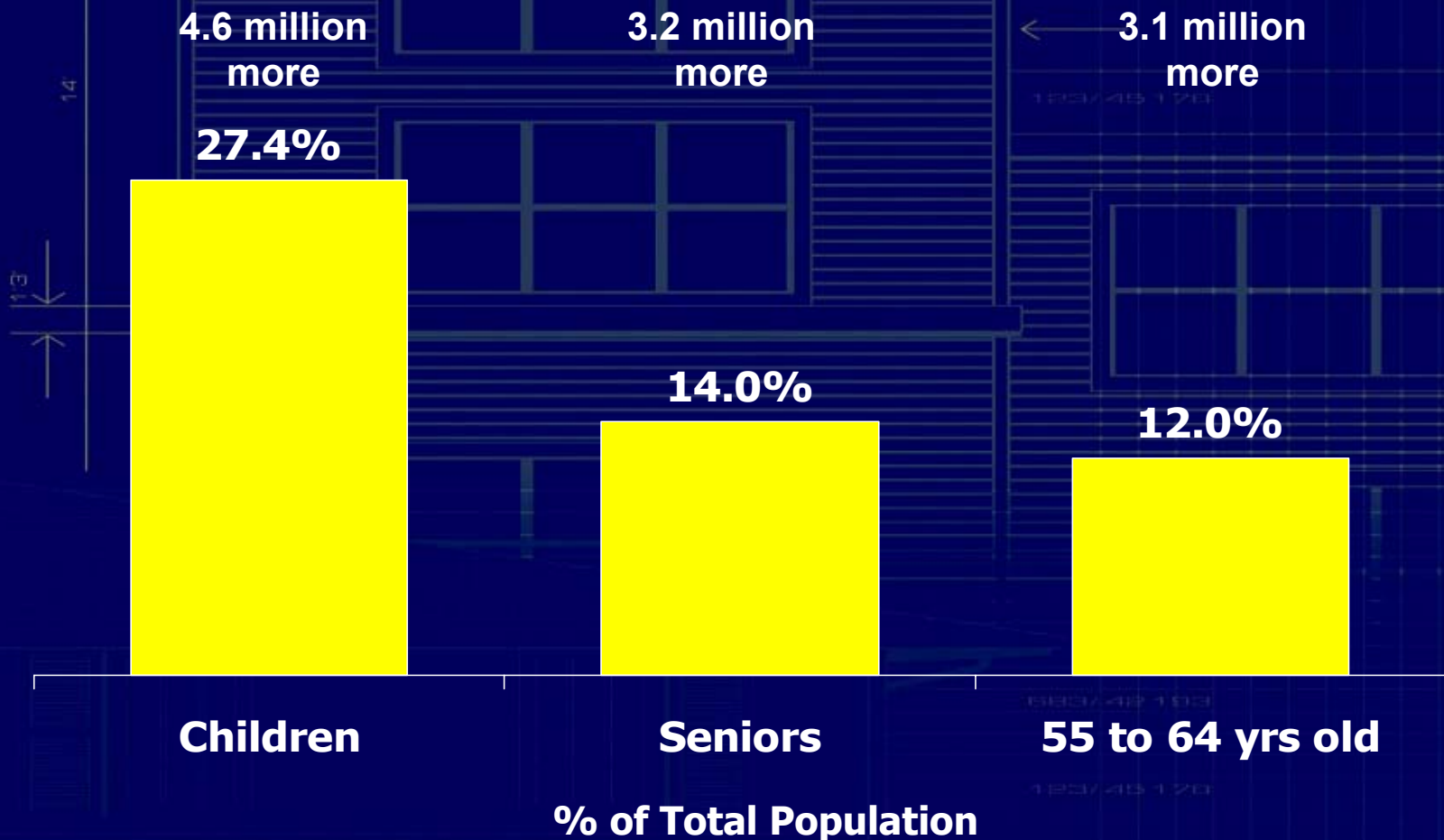


Source: *CA Housing Development Projections and Constraints 1997 – 2020*

CA Department of Housing and Community Development

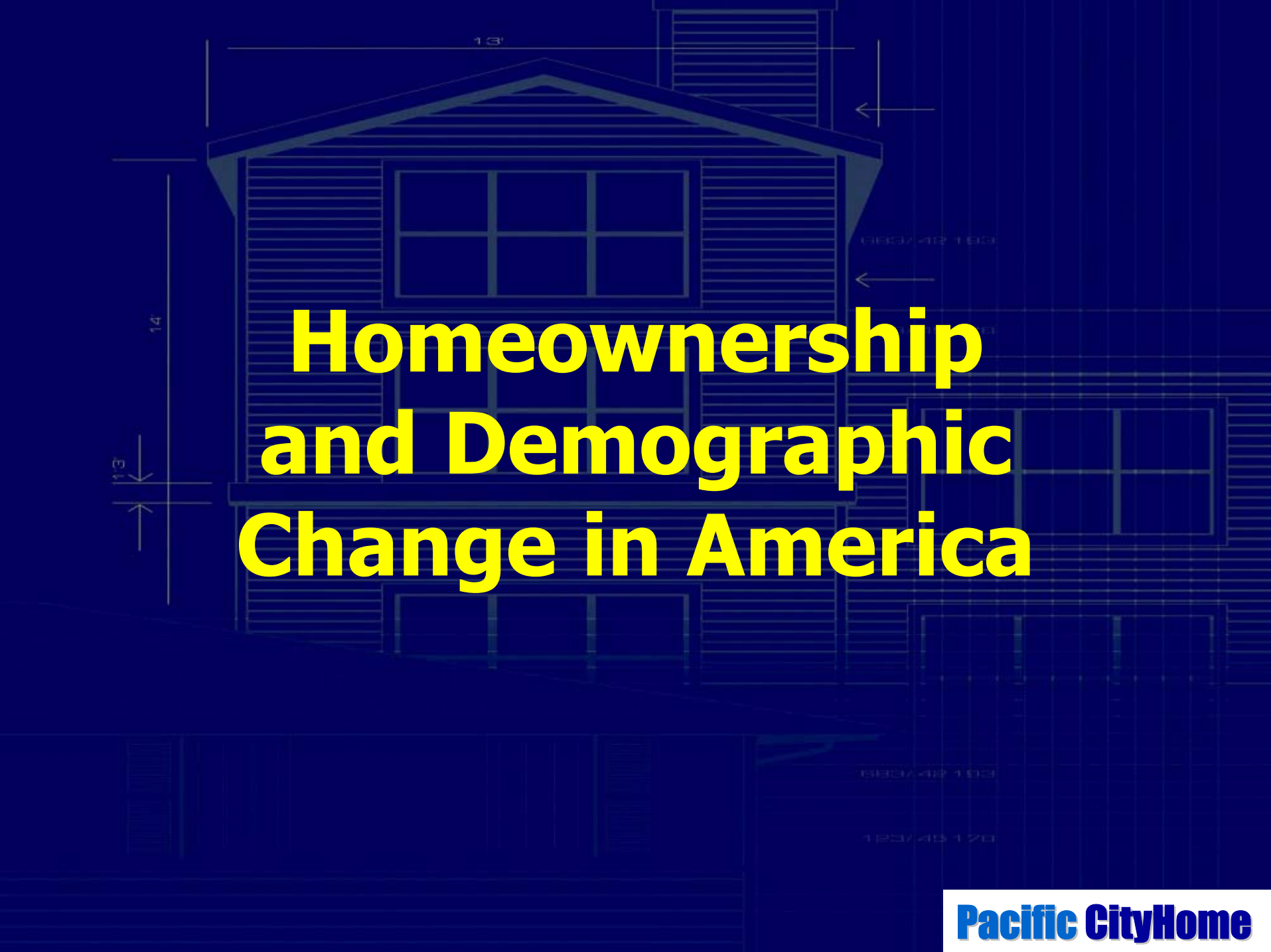
Pacific CityHome

California in 2020: Population Shifts



Source: *CA Housing Development Projections and Constraints 1997 – 2020*

CA Department of Housing and Community Development

The background of the slide is a dark blue architectural drawing of a house. The drawing includes various dimensions: a width of 13' at the top, a height of 14' on the left, and a depth of 13' on the left side. There are also dimensions for the roofline and window placements. The house has a gabled roof, a large central window, and a chimney on the right side. The entire drawing is overlaid on a light blue grid.

Homeownership and Demographic Change in America

Projected Homeownership Rate: 2000 - 2010

	2000	2010	Projected Change
U.S. Total	66.4 %	69.1 %	+ 2.7 %
African American	46.2 %	51.1 %	+ 4.9 %
Hispanic	44.5 %	49.1 %	+ 4.6 %
Asian	52.6 %	55.9 %	+ 3.3 %

An architectural line drawing of a two-story house with a gabled roof and a chimney. The drawing includes various dimension lines and arrows. On the left, a vertical dimension line is labeled '14' and a horizontal one is labeled '13'. On the right, two horizontal dimension lines are labeled '683/42 183' and '123/45 170'. The text 'Population growth ...' is written in a large, bold, yellow, italicized font across the center of the house. The background is a dark blue grid.

***Population
growth ...***

African-Americans

2000: 34.65 million

1990-2000: 16% growth

Asian-Americans

The background of the slide is a detailed architectural drawing of a two-story house. The drawing includes various dimensions: a width of 13' at the top, a height of 14' on the left side, and a depth of 13' on the left side. On the right side, there are two sets of dimensions: 683/42 183 and 123/45 170, with an arrow pointing left between them. The house has a gabled roof, a large front window with a grid pattern, and a smaller window on the side. The overall style is a technical architectural sketch.

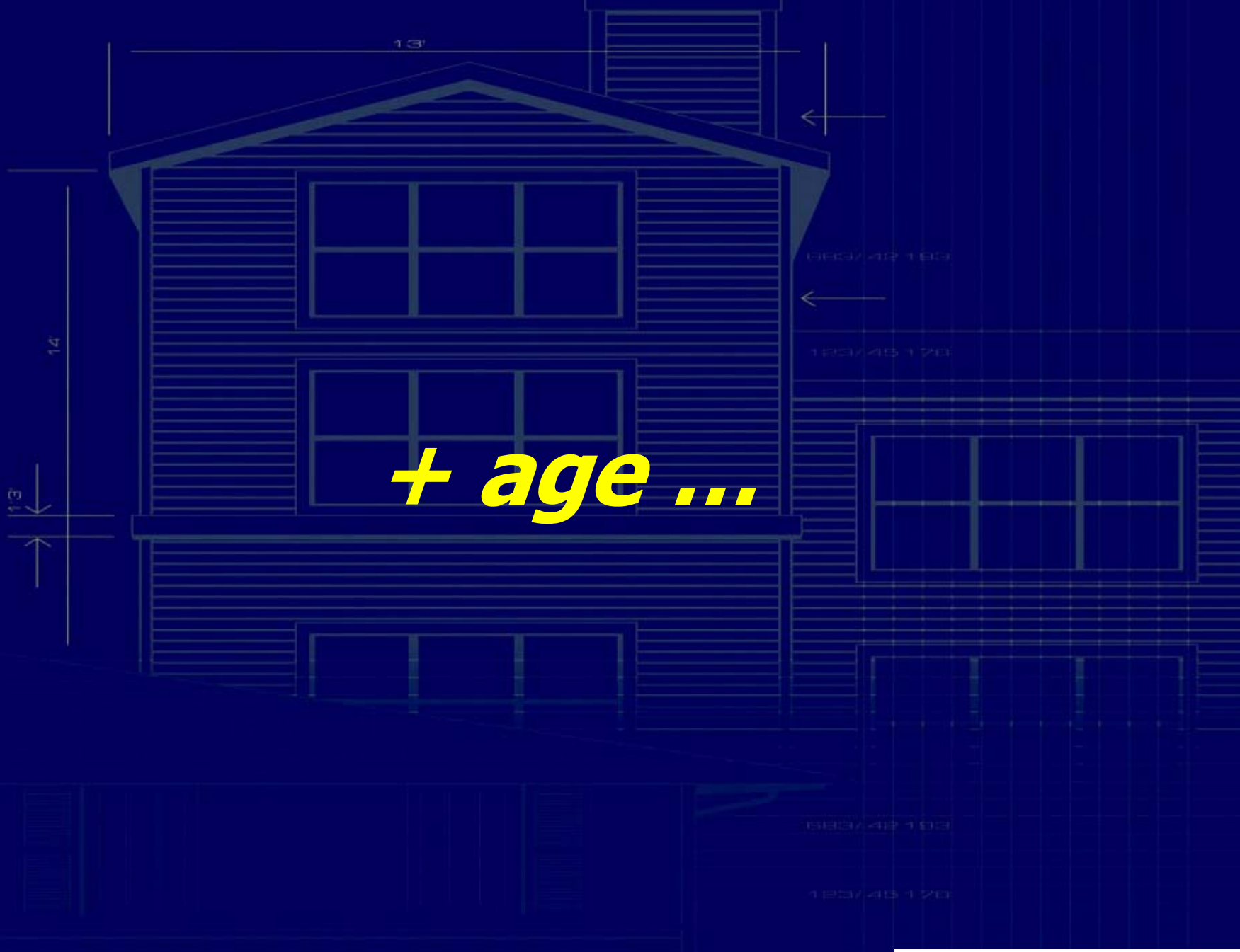
2000: 10.2 million

1990-2000: 41% growth

Hispanic-Americans

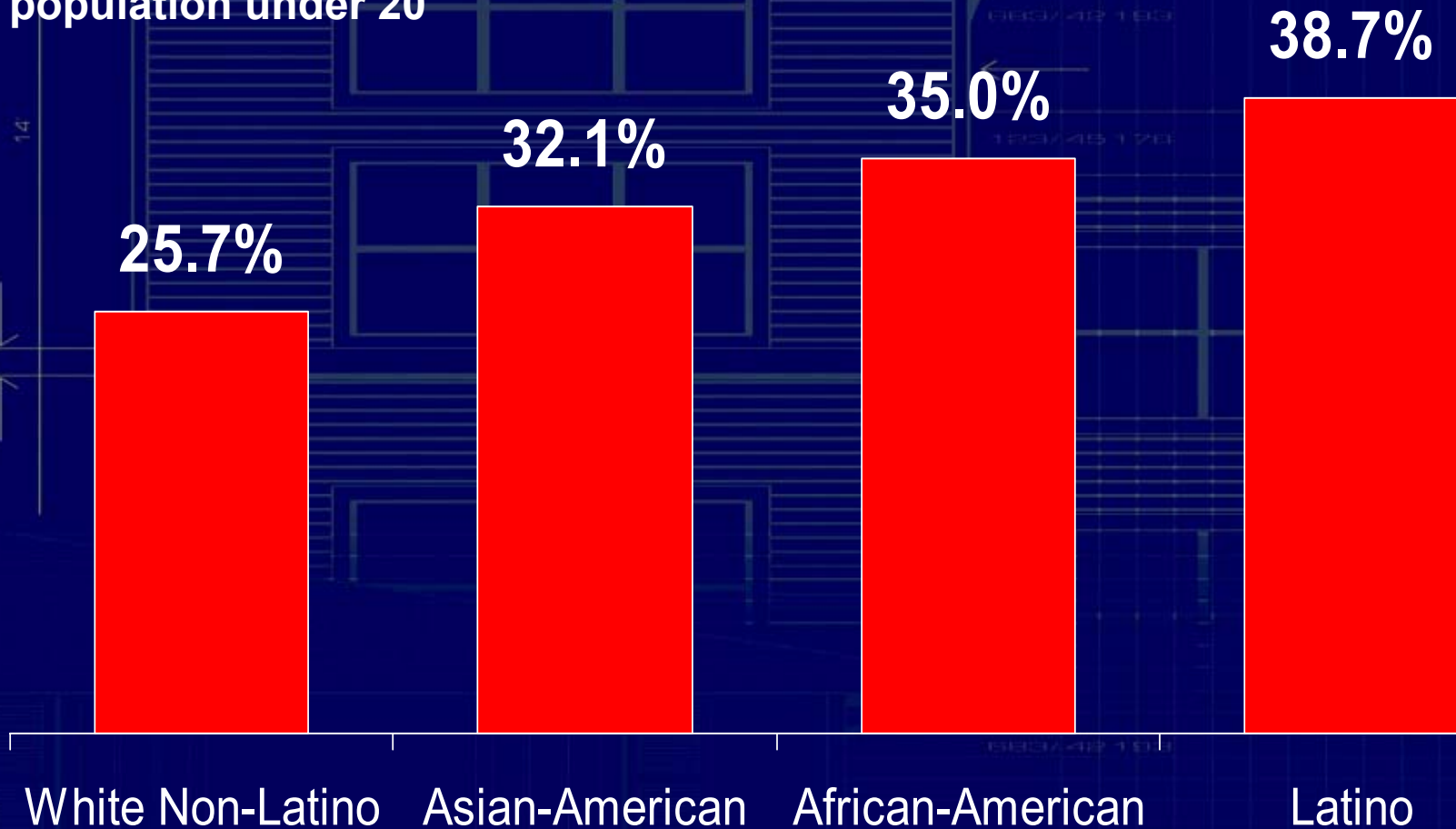
2000: 35.3 million

1990-2000: 58% growth



Minority Populations Are Young

% of population under 20



An architectural line drawing of a two-story house with a gabled roof and a chimney. The drawing includes various dimension lines and arrows. On the left, a vertical dimension line is labeled '14' and a horizontal one '13'. On the right, two horizontal dimension lines are labeled '683/42 183' and '123/45 170'. The text '+ family size ...' is written in a large, bold, yellow font across the middle of the house.

+ family size ...

Minority Households Are Larger



An architectural line drawing of a two-story house with a gabled roof and a chimney. The drawing is overlaid on a blue grid. Dimensions are marked: 13' for the roof width, 14' for the main body height, and 13' for a side extension. On the right, there are two sets of arrows pointing left with labels '683/42 183' and '123/45 170'.

***+ migration
patterns ...***

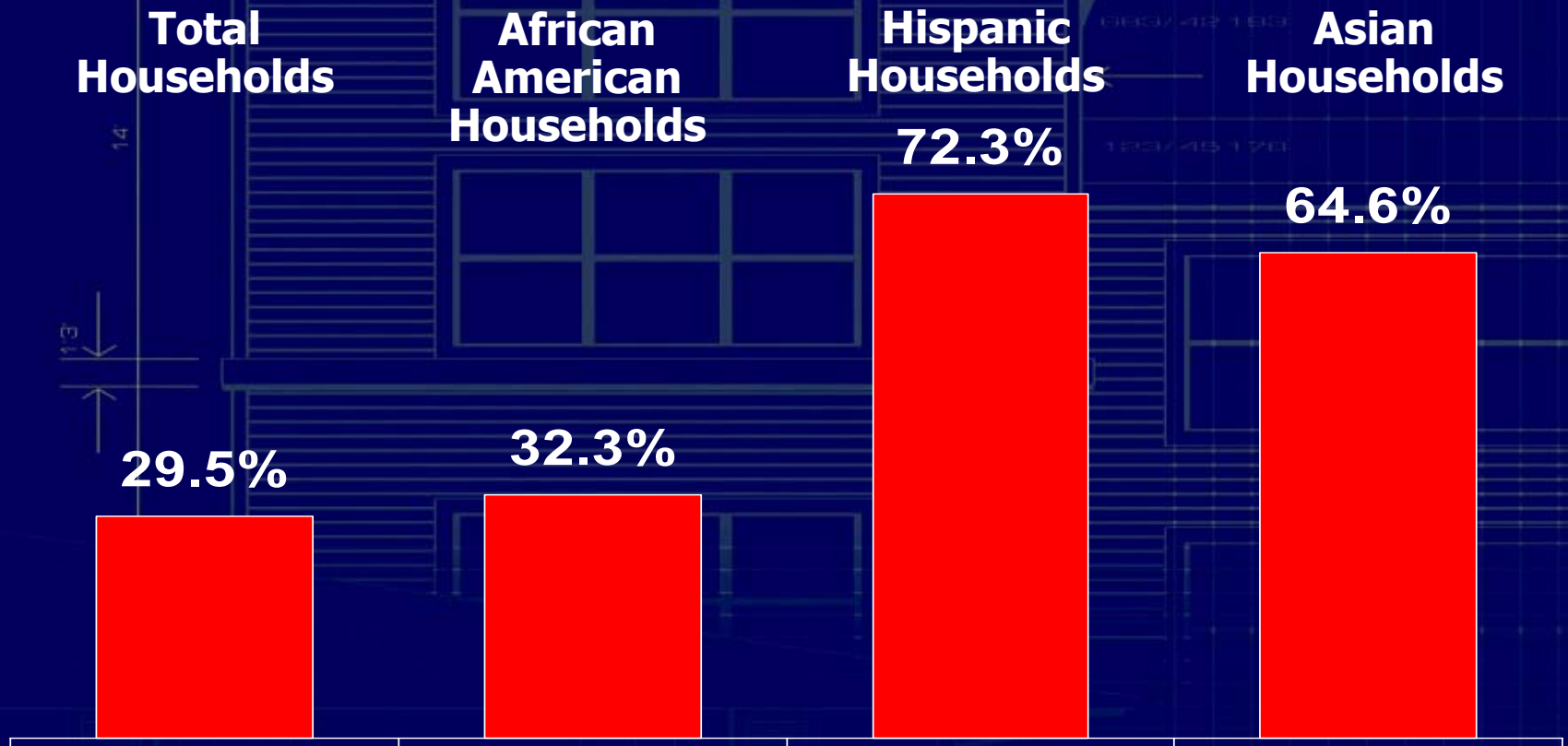
Destination Cities

	1997			1997	
	<u>Number</u>	<u>Percent</u>		<u>Number</u>	<u>Percent</u>
All metropolitan areas	798,378		13 Dallas, TX	11,061	1.4%
1 New York, NY	107,434	13.5%	14 Philadelphia, PA-NJ	10,858	1.4%
2 Los Angeles-Long Beach, CA	62,314	7.8%	15 Newark, NJ	10,801	1.4%
3 Miami, FL	45,707	5.7%	16 Seattle-Bellevue-Everett, WA	10,692	1.3%
4 Chicago, IL	35,386	4.4%	17 Fort Lauderdale, FL	10,646	1.3%
5 Washington, DC-MD-VA	31,444	3.9%	18 Detroit, MI	10,019	1.3%
6 Orange County, CA	18,190	2.3%	19 Atlanta, GA	9,823	1.2%
7 Houston, TX	17,439	2.2%	20 Bergen-Passaic, NJ	9,788	1.2%
8 San Jose, CA	17,374	2.2%	21 Riverside-San Bernadino, CA	9,518	1.2%
9 San Francisco, CA	16,892	2.1%	22 Nassau-Suffolk, NY	9,167	1.1%
10 Oakland, CA	15,723	2.0%	23 Sacramento, CA	7,654	1.0%
11 San Diego, CA	14,758	1.8%	24 Jersey City, NJ	7,529	0.9%
12 Boston-Lawrence, MA	13,937	1.7%	25 Minneapolis-St. Paul, MN-WI	6,859	0.9%

The background is a dark blue architectural drawing of a two-story house. The drawing includes various technical dimensions and annotations. On the left side, there are vertical dimension lines with arrows and labels '13' and '14'. At the top, a horizontal dimension line is labeled '13''. On the right side, there are two sets of horizontal dimension lines with arrows and labels: '683/42 183' and '123/45 170'. The central text is overlaid on the house's facade.

***+ household
income growth ...***

Growth of the Middle Class: 1989-1999



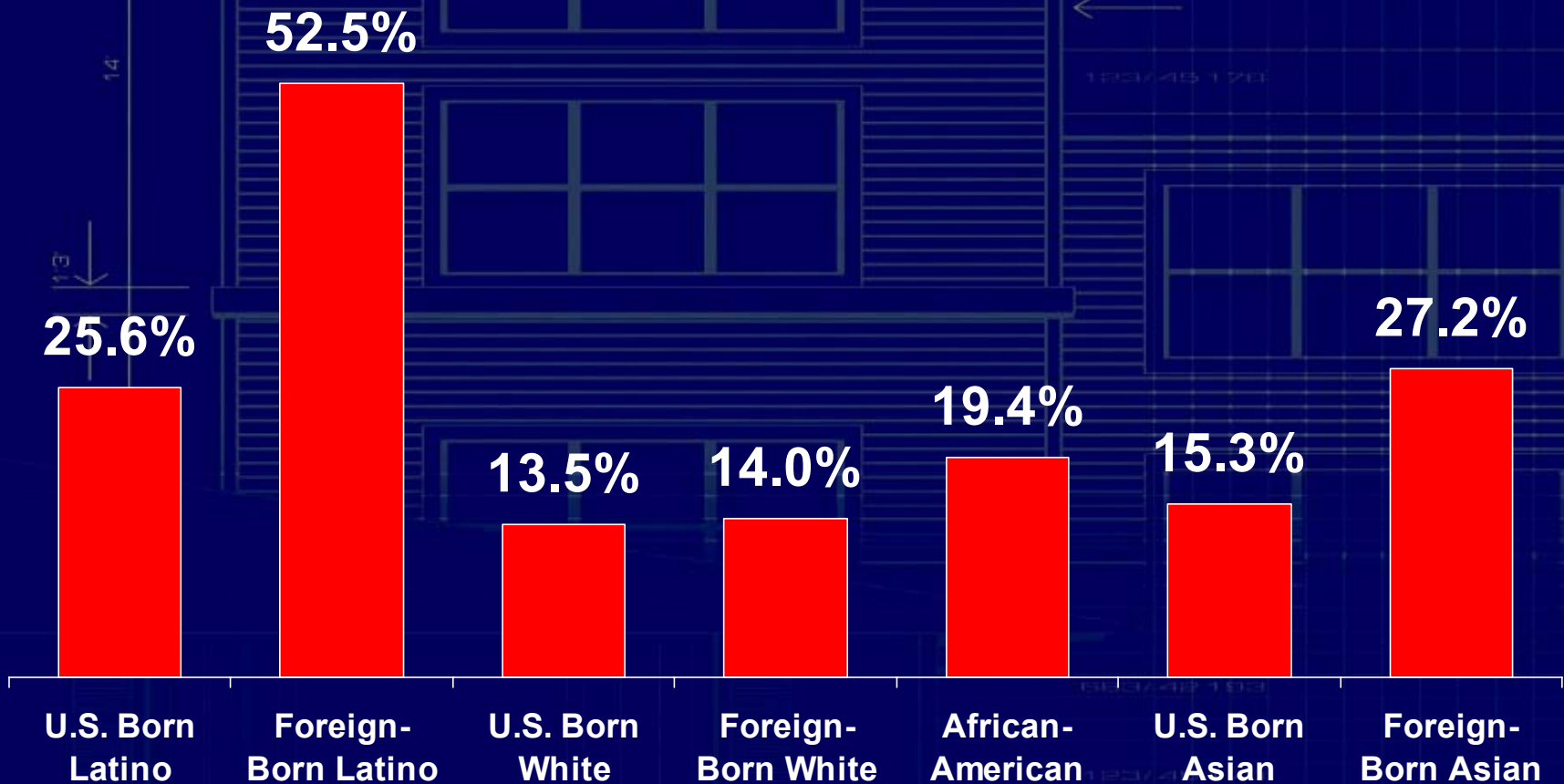
Middle Class Defined:

1989: \$23,663 - \$36,201

1999: \$33,001 - \$52,174

Minority Families Have More Workers Per Household

Households with Three or More Workers, 1990
The Middle Class - 5 County Area



Source: Pepperdine University Institute for Public Policy "The Emerging Latino Middle Class" 1997

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An architectural line drawing of a two-story house with a gabled roof and a chimney. The drawing includes various dimension lines and arrows. On the left, a vertical dimension line is labeled '13' and '14'. At the top, a horizontal dimension line is labeled '13'. On the right side, there are two sets of dimension lines with arrows pointing left, labeled '683/42 183' and '123/45 170'. The text '= new homebuyers!' is overlaid in the center in a bold, italicized, yellow font.

= new homebuyers!

Over 50% of Minority Households Say That Buying A Home Is One Of Their Top Priorities

**Good Time
To Buy A
Home:**

All Hispanics

71 %

**African
Americans**

68 %

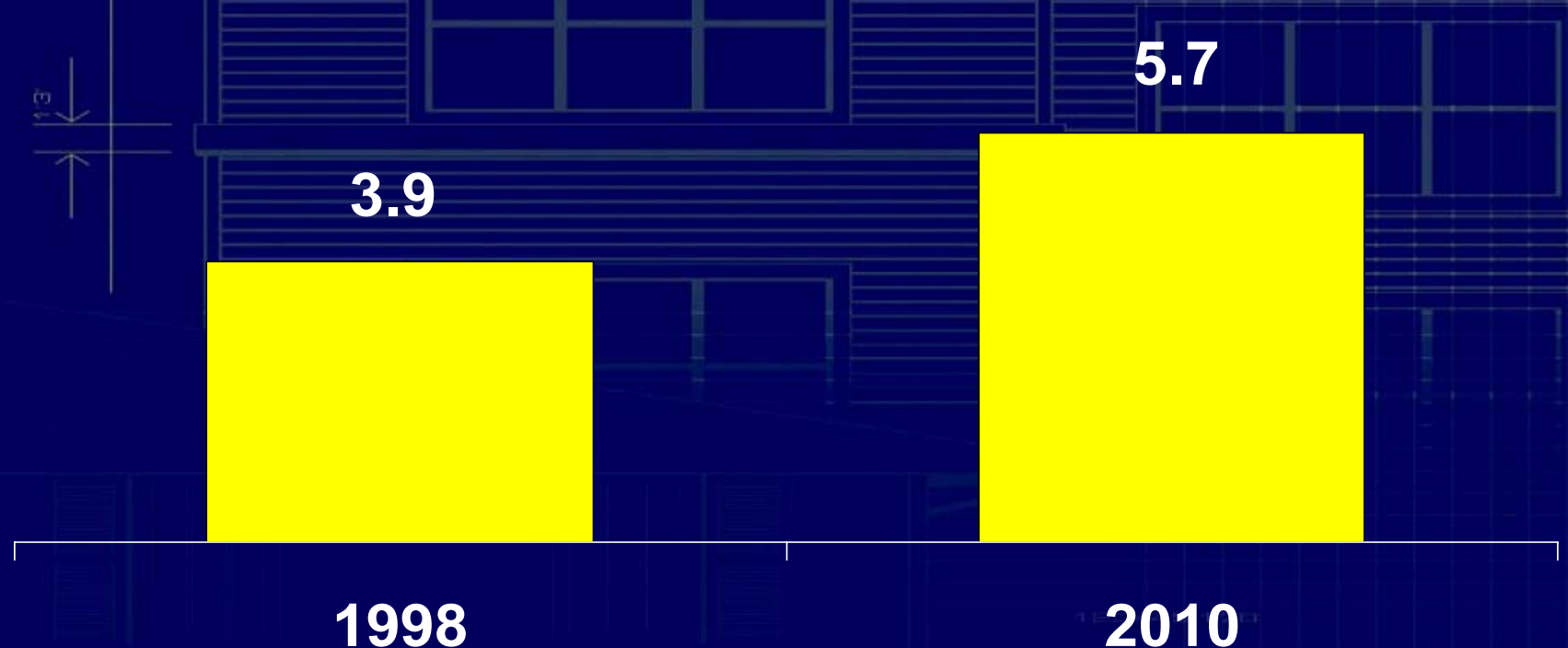
**Likely To
Buy Within
3 Years:**

37 %

42 %

Hispanic Homeownership Alone Will Grow by 1.8 Million Homes by 2010

**Hispanic-Owned Homes
(millions)**



Source: Standard & Poor's DRI, "Hispanic Consumer Market" November 1998

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Where ?

The Greater Los Angeles Area In 2020

- 5.5 million more people will live here;
- 21.8 million people, half the state's population, will live in Los Angeles, Orange Riverside, San Bernadino, Ventura and Imperial Counties;
- Demographic patterns will mirror state's - half of all new homes will be bought by minority homeowners – new products in new locations will be needed for larger families and greater number of seniors.

Future Urban Realities

- Permanent employment generators have anchored urban Areas
- Demographic momentum has created bustling new enclaves
- Emerging housing markets within cities have powerful potential if nurtured

The background of the slide is a dark blue architectural drawing of a two-story house. The drawing includes various dimensions: a width of 13' at the top, a height of 14' on the left side, and a depth of 18'3" on the right. There are also smaller dimensions like 12'3" and 4'5" on the right side. The house has a gabled roof, a central window on the second floor, and a larger window on the first floor. The drawing is overlaid on a light blue grid.

As Representatives of California's Urban Communities, a Simple Question ...

Where are you going to put all of these families?

An architectural line drawing of a two-story house with a gabled roof. The drawing includes various dimensions: a width of 13' at the top, a height of 14' on the left, and a small offset of 1'3" on the left side. On the right side, there are two sets of dimensions: 683/42 183 and 123/45 170, each with an arrow pointing left. The text 'Urban Villages' is written in large, bold, yellow letters across the center of the house. The background is a dark blue grid.

Urban Villages

Urban Village Characteristics

- Establish a positive sense of place and identity;
- Address the core issue of increasing the housing stock, especially single family;
- Provide a locational focus for older communities;
- Improve traffic flow by centralizing activities;
- The mingling of people in an aesthetically pleasing, functionally whole and safe neighborhoods;
- Walkable, recognizable centers with a mix of commercial, retail, housing and transit uses;
- Community areas that are civically oriented.

Infill Single Family Supply Solutions

- Well designed, centrally located, community integrated, high density products.
- Smaller multiple bedroom units with attractive, usable and well maintained common areas.
- High quality new developments in the area's poorest neighborhoods that are within the economic reach of the local multiple income families.
- Local political leadership that promotes, defends and approves the adequate and continued development of new housing.

Strategic Partnerships: The Key to Urban Projects

- School districts
- Neighborhood leaders
- Local business
- Police
- Community colleges
- Corporate partners – i.e. telecom/digital
- Financial institutions - make homeownership a reality

The Importance of Quality

- Adequate entitlements to supply the housing market are dependent upon local political conditions;
- Local elected and appointed officials understand the importance of for-sale housing – however, they cannot ignore the local public's views on new developments;
- Most existing residents will support new projects if they do not adversely impact their lives and that are aesthetically pleasing and quality construction.

An architectural line drawing of a two-story house with a gabled roof, a chimney on the right side, and a front porch. The drawing is overlaid on a blue grid. Dimensions are marked: 13' for the roof width, 14' for the front porch width, and 13' for the porch depth. On the right side, there are two sets of dimensions: 683/42 183 and 123/45 170, each with an arrow pointing left. The text 'Concluding Points' is written in a large, bold, yellow, italicized font across the middle of the house. Below the text, there are three yellow diagonal lines. The background is a solid blue color with a white grid pattern.

Concluding Points

///

An architectural line drawing of a two-story house with a gabled roof. The drawing includes various dimensions: a width of 13' at the top, a height of 14' on the left, and a height of 6' on the right. There are also vertical dimensions on the right side: 683/42 183 and 123/45 170. The text "Supply, Supply, Supply..." is written in a large, bold, yellow, italicized font across the middle of the house. The background is a dark blue grid.

Supply, Supply, Supply...

The background of the slide is a dark blue architectural drawing of a house. The drawing includes various dimensions: a width of 13' at the top, a height of 14' on the left side, and a depth of 13' on the left side. There are also some smaller dimensions like 13' and 14' on the right side. The house has a gabled roof, a chimney on the right side, and several windows. The text is overlaid on the central part of the drawing.

**Strategically, no
policy is better for a
city than one that
creates stable single
family neighborhoods**

Make the Construction of Homes in Central Areas a Priority

- Identifying Sites in Priority Areas
- Helping Assemble Complex Sites
- Assuring the Adequacy of Needed Utilities, Transportation, and Other Public Infrastructure
- Working to Meet Local “Affordability” Objectives
- Expediting the Approval and Entitlement Process
- Working with Neighborhood and Community Leaders

Urban Homeownership Zones

Local governments need to assemble sites, clean up brownfields, create land banks, rehabilitate properties, reconstruct infrastructure, and prepare land for large-scale infill neighborhoods.

The background is a dark blue architectural drawing of a house. The drawing includes various dimensions: '13'' at the top, '14'' on the left, and '13'' on the right. There are also some numbers like '683/42 183' and '123/45 120' on the right side. The house has a gabled roof, a large window with a grid pattern, and a chimney. The text is overlaid on this drawing.

**Make new home
construction your City's
priority, and then act on it!**

The background of the slide is a dark blue architectural drawing of a two-story house. The drawing includes various dimensions: a width of 13' at the top, a height of 14' on the left, and a depth of 13' on the left. On the right side, there are two sets of dimensions: 663/42 183 and 123/45 120, each with an arrow pointing left. The house has a gabled roof, a chimney on the right side, and several windows. The text 'The Pacific CityHome Business Model' is overlaid in the center in a large, bold, yellow font.

The Pacific CityHome Business Model

A PCH Target Project

- Product: Entry level for-sale housing – attached or detached
- Target market: First time home buyer – working families
- Pricing: Maximum average home price that is competitive with the area's median home price - Average project pricing will typically not exceed \$400,000
- Size: Projects with 50 to 150 homes
- Location: Sites within communities with at least 50,000 people in the project market area
- Project Yield: Target 9 to 10% minimum net profit
- Target Buyers: Civil servants (i.e. teachers, police, firemen and nurses), multiple income households, immigrant families and buy-down retirees - young professionals looking to live near urban centers

PCH “Capital *plus*”

- Urban partnerships - The social and local politics of urban developments is fatal to those who don't understand it and can be very productive for those who do.
- We offer more than capital - PCH intends to be a strategic partner for established builders who will be producing the housing stock of California over the next decade. We can help bridge the gap between the development community and the new emerging California urban development realities.

